

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Action/Discussion Item:

Declaration of Emergency for Deficit Districts (District data under separate cover)

Applicable Statute or Regulation:

KRS 160.550

History/Background:

Existing Policy. KRS 160.550 provides that no superintendent shall recommend and no board member shall knowingly vote for an expenditure in excess of the income and revenue of any year, as shown by the budget adopted by the board and approved by the Kentucky Board of Education, except for a purpose for which bonds have been voted or in case of an emergency declared by the Kentucky Board of Education (KBE).

School district Annual Financial Reports are due to KDE on July 25th and staff anticipates some school districts may end the year with a deficit balance. Detailed information regarding each of the school districts will be provided prior to the August KBE meeting.

The consequence of a declaration of emergency is that a proposed expenditure, authorization, employment, purchase or contract by a school district is subject to approval by the Commissioner. The Office of District Support Services will provide on-site staff to ensure all required approvals are secured. Additionally, Management Audits will be conducted to assist districts in the identification and implementation of fiscally responsible practices. Results from the Management Audits will be presented to the Kentucky Board of Education at the December meeting.

Staff Recommendation(s) and Rationale(s):

Staff recommends enacting the declaration of emergency for those districts ending the year with a deficit balance. The statutory requirements provide no other option.

Impact on Getting to Proficiency:

It would be very difficult for any district to deliver an appropriate education to all students given a deficit financial situation.

Contact Person:

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Deputy Commissioner

Commissioner of Education

Date:

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